

NEWS RELEASE

**OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF ILLINOIS**

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For Immediate Release

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Ronald J. Tenpas, United States Attorney for the Southern District of Illinois, announced today that on October 29, 2004, **TERRY HARMS**, of Red Bud, Illinois, was sentenced to twenty-seven months imprisonment for his conviction of the federal offense of Bank Fraud in violation of Title 18, United States Code, Sections 1344. The Court additionally ordered **TERRY HARMS** to serve five (5) years supervised release after his release from prison and pay restitution in the amount of \$1,050,000 to the First State Bank of Red Bud, with joint and several liability with his father, LOREN HARMS, who had previously been sentenced.

The successful prosecution was for **TERRY HARMS'** conduct while the office manager for Hampton Hentscher Ford Mercury, Inc., in Red Bud, Illinois, wherein he executed a scheme to defraud the First State Bank of Red Bud and the First Bank of Red Bud in obtaining floor plan financing loans. **TERRY HARMS** obtained floor plan loans and falsely represented that the collateral provided for the loans was not subject to other claims. **TERRY HARMS** falsified entries into the books and records of the dealership which falsely represented the financial condition of the dealership; had not obtained the consent and approval of the owners of Hampton Hentscher Ford Mercury, Inc. to obtain the floor plan loans; and had caused a total loss in excess of \$1,000,000.

The successful prosecution is the result of an investigation conducted by the United States Secret Service and the Federal Bureau of Investigation. The prosecution of the case was handled by Assistant United States Attorney Norman R. Smith.